



Because we care.

## EXPRESSION OF INTEREST

FOR

## DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF THE BULIMENI SOLAR PV - BATTERY MINI-GRIDS PROJECT

TENDER NUMBER: ESERA/EOI/02/2024/25

JULY 2024

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# Contents

LETTER OF CALL FOR EXPRESSION OF INTEREST .....	3
1. Introduction .....	4
1.1. Project Background.....	4
1.2. Principles to be Observed.....	4
1.3. Status of Mini-grids in the Country .....	5
1.4. Regulatory Instruments .....	5
2. Description of Bulimani Community.....	6
3. Invitation.....	6
4. Enquiries .....	7
5. Submission.....	7

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## LETTER OF CALL FOR EXPRESSION OF INTEREST

The Eswatini Energy Regulatory Authority (ESERA) hereby invites suitably qualified and experienced private mini-grid developers to indicate their interest in providing these services. Developers may constitute joint-ventures to enhance their chances. The details of the expression of interest are as follows:

EOI Number: ESERA/EOI/02/2024/25

EOI Description: Expression of interest for the design, construction, operation and maintenance of the Bulimeni Solar PV-Battery Mini-grids System,

Objective: The main objective of the assignment is to design, construct, operate, and maintain the Bulimeni Solar PV-Battery minigrid system.

Access to EOI Documents: The EOI is available from both the Eswatini Energy Regulatory Authority (ESERA) (<https://www.esera.org.sz/minigrids/tenders/>) and the Eswatini Public Procurement Regulatory Agency (ESPPRA) (<https://esppra.co.sz/sppra/tender.php>) websites.

Closing Date: 12 noon (SAST) on Friday, 23 August 2024. Bidders are invited to attend a non-compulsory tender opening which will be conducted On Friday, 23 August 2024, at 12 noon (SAST).

Enquiries: A bidders' conference will be held on Tuesday, August 6, 2024. Bidders should RSVP to [amptenders@esera.org.sz](mailto:amptenders@esera.org.sz) to register their interest for the event.

Details on Bid Submission: to submit the expression of interest, please register on <https://amptenders.esera.org.sz/> and upload all the necessary documents

All enquiries relating to this tender should be directed in writing to [amptenders@esera.org.sz](mailto:amptenders@esera.org.sz) not later than Friday, 16 August 2024.

Interested developers should note that participating in this REOI is not a pre-condition for participating in future procurement stages for the services.

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# TERMS OF REFERENCE

## 1. Introduction

### 1.1. Project Background

The Eswatini Energy Regulatory Authority (ESERA) received a grant from the Global Environment Facility (GEF) to implement the Africa Minigrids Program (AMP) project on behalf of the Ministry of Natural Resources and Energy (MNRE). The AMP Eswatini project is part of 21 AMP projects that are currently being implemented in equal number of countries within the African continent. It is being supported by UNDP with funding primarily from GEF and implemented together with Rocky Mountain Institute (RMI) and the African Development Bank (AfDB), linking up with a wide array of minigrid stakeholders in Africa and beyond.

The objective of the AMP in Eswatini is to support access to clean energy by increasing the financial viability and promoting scaled-up commercial investment in renewable energy (RE) minigrids. It is designed to accelerate renewable energy minigrid development, building data and knowledge resources and 'proof of concept' business models that can inform planning, de-risk investments and encourage private sector participation in the country. This aligns with the country's targets for renewable energy (RE) and the expectation that minigrids will contribute to the goal of achieving universal energy access, as set out by the National Energy Policy (2018) and the Kingdom of Eswatini Energy Masterplan, 2034.

Part of the project requires design, construction, operation, and maintenance of a Solar PV-Battery greenfield minigrid project with focus on productive use of energy as an anchor off-taker of electricity that enables household electrification at Bulimeni Community in the Shiselweni Region under Nkwene Inkhundla.

The Authority therefore intends to use part of the funds to provide up to 45% subsidy on the Capital Expenditure (CAPEX) for the development of this minigrids project. ESERA is now seeking a Private Minigrid Developer to design, construct, operate and maintain the Bulimeni Solar PV-Battery Minigrids Project for a period of 20 years. The private developer shall be responsible for providing the minimum of 55% of the CAPEX expenditure.

### 1.2. Principles to be Observed

Six principles have been prescribed in developing the minigrid project.

- a. **Principle 1:** The project will be developed as a greenfield solar PV-battery minigrid.

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- b. **Principle 2:** The delivery model of the project seeks to incorporate private sector involvement to the highest degree possible. This seeks to demonstrate the potential role of the private sector players in Engineering, Procurement, Construction (EPC) and Operations and Maintenance (O&M).
- c. **Principle 3:** Use of digital platforms. This extends to smart metering as well. It is required of the asset owner of the minigrid benefiting from the support to share digital data from the minigrid's performance with the AMP national project. It is therefore a requirement that the minigrid system be fitted with a smart metering infrastructure.
- d. **Principle 4:** Productive use: third party ownership model; limited technical assistance. This refers to support that will use GEF funds in purchase of productive use equipment. It is required that the project will only provide its support via third party ownership model, as opposed to self-ownership model. Third party ownership models involve the minigrid asset owner purchasing the productive use equipment, and then effectively leasing it back to the end-user, as part of an "energy as a service" offer.
- e. **Principle 5:** Clear methodological basis for additionality for calculating the level of GEF financial support for capital expenditures. A maximum of 45% of the 'core' investment in the minigrid system, productive use equipment (third party ownership) and household connections will be provided.
- f. **Principle 6:** Compliance with UNDP Social and Environmental Safeguards and Gender Requirements. A critical consideration is the need to ensure environmentally sound management of replaced equipment, including batteries, inverters and solar panels, after their usage.

### 1.3. Status of Mini-grids in the Country

Minigrids are still at nascent stage in Eswatini. Currently, there is one minigrid that was developed by the Eswatini Electricity Company (EEC) for a small, remote village in Mvundla (26°41'45.26"S, 31°17'25.96"E), near Sigcineni, in the Manzini Region. The 35kWp, 200kWh solar PV-batter system was developed solely for residential and community use where it provides electricity for 21 homes and two churches.

### 1.4. Regulatory Instruments

The country has a [Mini-grid and off-grid Regulatory Framework](#). Its scope is comprehensive, covering a range of topics that can help to reduce the risks to developers and facilitate investment in renewable energy mini-grids.

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## 2. Description of Bulimeni Community

The community of 92 households is remotely located with no electricity and limited road infrastructure. Approximately 30 households can be electrified through grid extension, while grid extension to the remainder, approximately 60 households, presents a significant challenge because of limited accessibility. These sixty households are therefore suitable for off-grid systems. For the minigrid location, a preliminary site has been identified in Ekubekezeleni, Bulimeni area (location with GPS coordinates: 26°45'29"S;31°18'33"E).

There are currently no businesses operating within the community, with the closest shop 3-5 kilometres away. Water is readily available with piping to most households. Maize is being grown for own use and land is available for commercial agriculture. The nearest hammer mill is located more than 5 km away and only operates on alternate days. The community currently relies on a mobile hammer mill that comes to the village every Saturday.

Within this context, it is expected that a strong productive use anchor off-taker will be a key element of a self-sustainable mini-grid system. At the moment, and as part of this project, the Small Enterprise Development Company (SEDCO) was engaged to identify potential businesses that would serve as productive users of energy from the mini-grid. The ideal model is for productive uses of energy to generate 80% of the revenue needs to operate the system. This would enable the minigrid to supply electricity to households at affordable rates and offset the higher tariff, lower consumption and higher relative operating costs of the residential component.

## 3. Invitation

The ESERA hereby invites suitably qualified and experienced private mini-grid developers to indicate their interest in the design, construction, operation and maintenance of the Bulimeni Solar PV-Battery Mini-Grids Project. Interested service providers must provide the accompanying following information:

- A brief company profile including but not limited to experience in similar conditions, availability of appropriate skills among staff (attach CVs of key personnel).
- Audited financial statement for the last three years.
- Description of mini-grid projects developed in the last 10 years, including dates, locations, installed capacities and number of connections.

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Developers may constitute joint-ventures to enhance their chances of qualification.

Interested developers should note that participating in this REOI is not a pre-condition for participating in future procurement stages for the services.

#### 4. Enquiries

All enquiries relating to the EOI should be directed in writing to [amptenders@esera.org.sz](mailto:amptenders@esera.org.sz) not later than Friday, August 16, 2024.

A bidders' conference will be held on Tuesday, August 6, 2024. This will be a hybrid – physical and virtual. Bidders should RSVP to [amptenders@esera.org.sz](mailto:amptenders@esera.org.sz) to register their interest for the conference by Wednesday, July 31, 2024. Details on the venue and time would be shared through the respective emails.

#### 5. Submission

The **closing date** for submissions is **12 noon (CAT) on Friday, August 24, 2024**. Submissions must be made via: <https://amptenders.esera.org.sz/>.

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